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USDOC FOR 532/OEA/MHAMES/LRITTER
USDOC FOR 3150/USFCS/OIO/CEENIS/MCOSTA

E.O. 12958: N/A

TAGS: BEXP ETRD ETTC RS

SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK: SECURITY
COMPANY FAKEL OST LTD., BALASHIKHA, MOSCOW REGION,
RUSSIA, D375526

REFTEL: USDOC 06129

¶1. Unauthorized disclosure of the information provided
below is prohibited by Section 12C of the Export
Administration Act.

¶2. Reftel requested a Pre-license check to determine
the legitimacy and reliability of the end-user,
Security Company Fakel Ost Ltd., Balashikha, Moscow
Region, Russia. The company is listed on BIS license
application D375526 as the ultimate consignee of ten
thermal-eye X200XP thermal imagers. These items are
controlled for national security and nuclear non-
proliferation reasons under ECCN 6A003. The licensee
is L3 Communications Infrared Products, 13532 North
Central Expressway, Dallas, TX 75243.

¶3. On July 31, 2007, Export Control Attaché Donald
Pearce and FSN Natalya Shipitsina conducted a pre-
license check at the offices of Security Company Fakel
Ost (SCFO) Ltd., 253, Nosovikhinskoe Shosse,
Balashikha, Moscow Region, Russia. The export control
team met with Aleksandr Pushkarsky, General Director
and Nikolay Konyukhov, Deputy General Director for
Security of the Savik Company.

¶4. The Savik Company founded SCFO in 2003 to provide
armed security services for the warehouse facility in
Balashikha. Savik is a Russian and German joint
venture specializing in motor oil distribution. Savik
is expanding its business to include warehousing
services for other clients, to include a high-value
storage facility currently under construction. SCFO
is tasked with providing 24-hour security to the
facilities. SCFO currently employs 42, and is
planning on tripling its staff over the next year to
cover the new facilities.

¶5. The Savik facility is located on a four-hectare
(10-acre) area of land bordering on undeveloped land
on two sides, and railroad tracks on the rear
exposure. The tall grass and trees in these areas
provides concealment for potential intruders to
conduct surveillance and evade capture upon escape.
SCFO has detected several intrusions from these areas
over the past year. Currently the company is
deploying one Thermal Imaging camera and a night-
vision device, but wishes to expand its operational
capabilities.

¶6. The Thermal imaging cameras will be used only at

the Savik facility. The company will train 10 of its patrol officers to use the cameras. The duty officer will issue the cameras to the incoming shift, and account for their return at the end of tour. Currently SCFO guards only the Savik facilities, but may someday expand to provide security to other warehouses or industrial organizations. SCFO is aware of its responsibilities regarding the safeguarding and appropriate end use of the thermal imagers.

¶7. The team was shown the duty officer's post, and was allowed to view the security procedure for accessing the safe. When not in use the cameras will be stored in a locked cabinet within the firearms storage safe in the security headquarters building. The building is manned at all times, and has an electronic security system with closed-circuit video. The safe alarm is directly connected to the local Ministry of Internal Affairs (Russian acronym MVD) Militsiya post. NOTE: The MVD Militsiya is the primary law enforcement organization of the Russian Federation, and provides local police services. END NOTE. In order to access the safe, the duty officer must first call the MVD duty officer to advise that the safe will be accessed. Failure to do so will result in an armed Militsiya response. The team was also shown a Thermal Eye X200XP thermal imaging camera, serial number 01579. The camera was stored in the locked cabinet within the safe.

¶8. Recommendations: Post recommends Security Company Fakel Ost Ltd., Balashikha, Moscow Region, Russia, as a reliable recipient of sensitive U.S. origin commodities. It is requested that post be notified of final disposition of the application, and of any

shipments for this organization in order to conduct appropriate FCS follow-up and statistical reporting.
(FCS MOSCOW/SBOZEK/DPEARCE)

BURNS